



CITY OF HAYWARD

AGENDA REPORT

AGENDA DATE 10/21/03

AGENDA ITEM 3

WORK SESSION ITEM

TO: Mayor and City Council

FROM: Director of Public Works

SUBJECT: Authorization for the City Manager to Execute an Exclusive Negotiating Agreement with Strizzis Restaurants, Inc. for the Ground Lease of Airport Property

RECOMMENDATION:

It is recommended that the City Council adopt the attached resolution authorizing the City Manager to execute the Exclusive Negotiating Agreement with Strizzis Restaurants, Inc.

BACKGROUND:

Strizzis Restaurants, Inc. is the operator of Strizzis and Rigatoni's Restaurants. They currently operate six restaurants in four different Alameda County cities, including Rigatoni's in Castro Valley and Dublin. Strizzis Restaurants, Inc., is owned by Ray Bartolomucci, Jr.

Recently Mr. Bartolomucci approached the City staff regarding development opportunities within the City of Hayward. Mr. Bartolomucci specifically expressed interest in the City owned site at A St. and Hesperian Blvd., adjacent to the La Quinta Inn. This site contains 0.515 Acres and is located on Hayward Executive Airport property. (See Exhibit A) Mr. Bartolomucci is interested in putting a 3600 sq. ft. building on the site. Approximately one-half of the building would house a Rigatoni's, with the remainder designed for other food-related businesses. As Council is aware, this site has been vacant for some time. Because this site is on Airport property it would be subject to a long-term ground lease with the City.

Terms of Agreement to Negotiate Exclusively:

Based on the discussions to date, it is recommended that an Exclusive Negotiating Agreement be executed between the City and Strizzis Restaurants, Inc. For the next one hundred twenty (120) days, following execution of the Agreement, Strizzis will negotiate diligently and in good faith to develop a ground lease with the City. If the City has not executed a ground lease by the 120th day, or any extension thereof, then the lease shall automatically terminate.

As a condition of the Agreement, Strizzis will submit a good faith deposit to the City in the amount of five thousand dollars (\$5,000). The deposit is refundable during the first 60 days

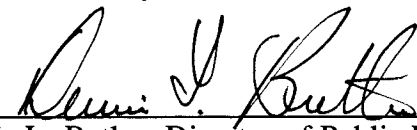
and becomes non-refundable thereafter. However, in the event that Strizzis and City enter into a ground lease for the designated site, two thousand five hundred dollars (\$2,500) will be applied to the annual rent.

A copy of the Exclusive Negotiating Agreement is available for review in the Office of the City Clerk.

Prepared by:


FOR Brent Shiner, Airport Manager

Recommended by:


Dennis L. Butler, Director of Public Works

Approved by:


Jesús Armas, City Manager

Attachment: Exhibit A – Map of the Site

DRAFT

HAYWARD CITY COUNCIL

RESOLUTION NO. 03-

Introduced by Council Member _____

**RESOLUTION AUTHORIZING THE CITY MANAGER
TO EXECUTE AN EXCLUSIVE NEGOTIATION
AGREEMENT BETWEEN THE CITY OF HAYWARD
AND STRIZZIS RESTAURANTS, INC. FOR THE
GROUND LEASE OF AIRPORT PROPERTY**

BE IT RESOLVED by the City Council of the City of Hayward that the City Manager is hereby authorized and directed to execute on behalf of the City of Hayward an Exclusive Negotiating Agreement with Strizzis Restaurants, Inc., for the ground lease of Airport Property for a term of 120 days.

IN COUNCIL, HAYWARD, CALIFORNIA _____, 2003

ADOPTED BY THE FOLLOWING VOTE:

AYES: COUNCIL MEMBERS:

MAYOR:

NOES: COUNCIL MEMBERS:

ABSTAIN: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

ATTEST: _____
City Clerk of the City of Hayward

APPROVED AS TO FORM:

City Attorney of the City of Hayward